

[By Ylan Q. Mui](#)

They called it the fee that went too far.

For the past month, consumers have been railing against a new Bank of America charge requiring customers to pay \$5 a month to use their debit cards for purchases. More than 300,000 people signed an online petition to stop the planned fee. More than 21,000 people pledged to close their Bank of America checking accounts. One cable news anchor cut up her card on the air.

It was a classic David-and-Goliath fight, fueled by the growing populist outrage against the nation's financial system. On Tuesday, the little guy won: Bank of America announced that it was abandoning the fee.

"This is one to go down in the history books, I think," said Norma Garcia, manager of financial services at Consumers Union, an advocacy group. "It's just a \$5 fee, but it really is symbolic of so much more."

Over the past year, consumers have wielded the power of social media to battle companies over issues large and small. When a Chicago jewelry artist accused Urban Outfitters on her blog of copying her designs, her post went viral and the company pulled the item within a day. Netflix subscribers persuaded the company to halt plans to spin off its DVD-rental business by bombarding it with more than 27,000 comments.

Bank of America was not the only — or even the first — to float the idea of charging customers to use their debit cards. But its plan became public a month ago, just as the Occupy Wall Street protests began to gain national momentum. Though Occupy supporters are motivated by a wide range of social ills, including climate change and income inequality, there seemed to be consensus that Bank of America's fee was a prime example of the banking industry run amuck.

Take the online petition started by 22-year-old D.C. resident Molly Katchpole on Change.org calling on the bank to drop the fee. Though not affiliated with the Occupy protests, the letter tapped into the same vein of populist anger, recounting the bank's role in the financial crisis and calling the fee "despicable."

On Oct. 1, 100 people signed Katchpole's petition. The next day, the number shot to 3,000. The day after, it was 75,000. By Tuesday, more than 300,000 people had joined, making it the largest consumer campaign ever on the site.

"The success off this campaign proves that ordinary people can successfully stand up to even the largest corporations," Katchpole said in a statement.

Bank of America was quick to point to new federal regulations as the catalyst for the fee, saying that the "economics of offering a debit card have changed."

Banks are now prohibited from charging most overdraft fees, eliminating a previously lucrative practice. And last month, rules went into effect that limit the amount of money banks can receive from retailers when consumers swipe their debit cards. The regulations are expected to cost banks billions of dollars.

But Washington fired back. President Obama called the fee "not good business practice." Democratic Rep. Brad Miller of North Carolina, where Bank of America is based, introduced a bill to make it easier for consumers to switch checking accounts. Rep. Peter Welch (D-Vt.) met last week with the Justice Department after calling for an investigation into the debit card fee.

"They overreached," Welch said. "It was customer reaction, there was competitor reaction and there was congressional reaction."

Credit unions and community banks have reported a surge of interest — and new accounts — as consumers seek alternatives. Roughly 51,000 people have signed up to move their money out of large banks on Saturday, according to the Progressive Change Campaign Committee, which is helping to organize the event. The group said that more than 21,000 are Bank of

America customers.

"This is a victory for consumers who are voting with their feet," said Ed Mierzwinski, head of the consumer program at U.S. PIRG. "For the first time, a bank fee has bitten the bank."

For other banks charging a debit card fee or testing one, the response has been resounding: Abandon ship. Wells Fargo, Chase, Regions and SunTrust all canceled fees last week, which left Bank of America the last bank standing.

"We have listened to our customers very closely over the last few weeks and recognize their concern with our proposed debit usage fee," David Darnell, co-chief operating officer at Bank of America, said Tuesday in a statement. "Our customers' voices are most important to us. As a result, we are not currently charging the fee and will not be moving forward with any additional plans to do so."

The move came too late for Matt Hrono, 21, of Boston. He stopped using his Bank of America checking account after learning about the planned charge and won't go back despite the bank's about-face.

"Just the fact that they even considered it, that just shows how ridiculous they are and how utterly greedy they are," he said.

Instead, Hrono switched to USAA, which has touted its stance against a debit card fee. When a customer service representative asked why he was joining the bank, he mentioned the charge at Bank of America. It was a refrain she had heard before.

"You're not the first person today who said the same thing," Hrono said she told him.